



37 VICT.—CAP. II.

An Act to provide for the granting of Aid to certain Railway Companies.

[Assented to 28th January, 1874.]

HER MAJESTY, by and with the advice and consent of the Legislature of Quebec, enacts as follows :

1. The lieutenant-governor in council may, subject to the conditions and limitations contained in the colonization railway aid act of 1869, in relation to the conversion of subsidy therein mentioned, and further subject to the conditions, limitations and provisions of this act, grant provincial aid in lieu of that specified in the said colonization railway aid act of 1869, to the extent of two thousand five hundred dollars for each and every continuous and unbroken mile of railway, with no additional allowance for bridges, to each of the following companies, namely :

The Quebec and Lake St. John railway ;
The Levis and Kennebec railway ;
The South-Eastern railway, for such portion thereof as formerly belonged to the Richelieu, Drummond and Arthabaska Counties' railway ;
The Philipsburg, Farnham and Yamaska railway ;
The Missisquoi and Black River Valley railway ;
The Quebec Frontier railway ;
The Quebec and New Brunswick railway ;
The St. Francis and Megantic International railway ;
The Bay of Chaleurs railway ;
The Sherbrooke, Eastern Townships and Kennebec railway ;
The Waterloo and Magog railway ; and
The Montreal Northern Colonization railway (branch line.)

The lieutenant-governor in council may also, subject to the foregoing conditions, grant unto the Montreal, Cham-bly and Sorel Railway Company, and unto the South-Eastern railway company, provincial aid to the extent of one thousand dollars per mile, for such length of road belonged to each, before the amalgamation of such railway companies respectively, with other companies, on compliance with the law in that behalf.

The lieut.-gov.
may grant
\$2,500 per
mile to certain
railway com-
panies.

\$1,000 per
mile may be
granted for the
road built by
certain compa-
nies before
their amalga-
mation.

Money aid already granted to be taken as on account of present grant.

2. All sums of money heretofore paid by the government of this province to any of the above mentioned railway companies, under the act referred to in the foregoing section, or under any act amending the same, shall be deemed to have been paid to such company on account of, and shall be deducted from the increased aid or subsidy to which it would otherwise have been entitled under this act.

Aid may be granted for each 25 miles of road completed.

3. Notwithstanding any provision contained in the Colonization railway aid act of 1869, the lieutenant-governor in council, if he thinks proper, may nevertheless, when it is established that any one of such companies is actively engaged in the construction of its works, grant to it for each twenty-five miles or more of road completed or one continuous half of the wholeline, a portion of such provincial aid, proportionate in amount to such length of road.

The Quebec and New Brunswick railway company must renounce its grant of lands.

4. The Quebec and New Brunswick railway company shall not be entitled to any aid under this act, unless it shall have, on or before the first day of January one thousand eight hundred and seventy-five, signified in writing unto the secretary of the province, the abandonment by it of any claim to the grant of land specified in the eighth, ninth, tenth and eleventh sections of the act of this province, thirty-fourth Victoria, chapter twenty-one, and the acceptance by it of the subsidy or aid accorded by this act; in the event of the company determining to accept such aid or subsidy, and so signifying its intention, it shall be deemed to have forfeited, and shall forfeit all claim to the grants of lands mentioned in the said act.

The St. Francis and Megantic International railway co. must renounce its grant of lands.

5. The St. Francis and Megantic International railway company shall not be entitled to any aid under this act, unless it shall have, on or before the first day of January, one thousand eight hundred and seventy-five, signified in writing unto the secretary of the province, the abandonment by it of any claim to the grant of land specified in sections two, three and four of the act of this province, thirty-fifth Victoria, chapter twenty-three, and the acceptance by it of the subsidy or aid accorded by this act; in the event of the company determining to accept such aid or subsidy, and signifying its intention to that effect, it shall be deemed to have forfeited, and shall forfeit all claim to the grant of lands mentioned in the said act.

The Bay of Chaleurs railway co. must renounce its grant of lands.

6. The Bay of Chaleurs railway company shall not be entitled to any aid under this act, unless it shall have, on or before the first day of January, one thousand eight hundred and seventy-five, signified in writing unto the secretary of the province the abandonment by it of any claim to the grant of land specified in sections one and two of the act of this

province, thirty-sixth Victoria, chapter forty-two, and the acceptance by it of the subsidy or aid accorded by this act; in the event of the company determining to accept such aid or subsidy, and signifying its intention to that effect, it shall be deemed to have forfeited and shall forfeit all claim to the grant of lands mentioned in the said act.

7. The Quebec and Lake St. John railway company shall not be entitled to any aid under this act, unless it shall have, on or before the first day of January, one thousand eight hundred and seventy-five, signified in writing unto the secretary of the province the abandonment by it of any claim to the grant of land specified in sections five and six of the act of this province, thirty-fifth Victoria, chapter twenty-three, and the acceptance by it of the subsidy or aid accorded by this act; in the event of the company determining to accept such aid or subsidy, and signifying its intention to that effect, it shall be deemed to have forfeited and shall forfeit all claim to the grant of lands mentioned in the said act.

The Quebec and Lake St. John railway co. must renounce its grant of lands.

8. If any company mentioned in the first section of this act, with the exception of the Quebec and New Brunswick railway, the St. Francis and Megantic International railway, the Bay of Chaleurs railway, and the Quebec and Lake St. John railway, to which four companies the provisions of this section shall in no manner apply, is not upon the first day of November, one thousand eight hundred and seventy-four, fully and in good faith, organized under the charter thereof, and has not on such day, at least ten miles of road graded and in perfect readiness for rails to be laid down thereon, such company shall not be entitled to any grant under the first section of this act, but on the contrary, in so far as relates to any such railway company, the grant mentioned therein shall be entirely inoperative and of no effect.

Certain companies must be organized, and have at least 10 miles of road ready to receive rails before 1st Nov. 1874.

9. The lieutenant-governor in council may, subject to the provisions of the next following sections grant, by way of loan, to the Montreal Northern Colonization railway company for building a railway from Montreal to Aylmer, provincial bonds or debentures to the extent of seven hundred and fifty-one thousand three hundred and sixty-six dollars, which he is hereby authorized to issue in such forms, for such amounts, and subject to such provisions in respect thereof, as shall be deemed to be in the public interest.

A loan of \$751,366 may be made for the railway from Montreal to Aylmer.

Issue of bonds for this purpose authorized.

10. The said last mentioned company shall be entitled to the said loan, upon the following conditions only:

Conditions.

1. The whole of the said railway shall have been completed and put into operation between Montreal and Ayl-

Delay.

mer, and also the branch of the said road from Sté. Thérèse de Blainville to the village of St. Jérôme, on or before the first day of May, one thousand eight hundred and seventy-six, to the entire satisfaction of the lieutenant-governor in council ;

Connection
with North
Shore railway.

Government
directors.

Abandonment
of grant of
lands, except
share of lands
in block A.

Exchange of
company's
bonds bearing
interest.

Capital to be
subscribed.

Class of the
road.

Aid may be
given for each
25 miles of
road com-

2. The said railway shall connect with the North Shore railway from Quebec to Montreal, at such point as has been determined by the lieutenant-governor in council ;

3. The lieutenant-governor in council shall have the appointment of one third of the directors of the company without counting the *ex-officio* director or directors representing municipalities, and no city, town or municipality shall be represented in the company by a greater number of directors than the lieutenant-governor in council ;

4. The company shall, on or before the first day of August, one thousand eight hundred and seventy-four, signify in writing, unto the secretary of the province, the abandonment by it of any claim to the grant of lands specified in section five of the act of this province thirty-fourth Victoria, chapter twenty-one, and section three, of the act also of this province, thirty-sixth Victoria, chapter forty-two, except the share of the said company in that portion of the said land grant described in the schedule of the said act, thirty-fourth Victoria, chapter twenty-one, as block A, and the acceptance by it of the grant or loan accorded by this act. In the event of the company determining to accept such grant or loan, and signifying its intention to that effect, it shall be deemed to have forfeited and shall forfeit all claim to the grant of lands mentioned in the said acts, except as hereinabove mentioned ;

5. The company shall, on receiving the provincial bonds or debentures or any part thereof, as hereinafter provided, give in exchange therefor debentures of the company, bearing interest at the rate of six per cent per annum, to an equal and corresponding amount ;

6. Such amount of the capital stock of the said company shall have been subscribed for, over and above the amount which has already been, or which may hereafter be subscribed for by municipalities, as the lieutenant-governor in council shall deem just and reasonable, and at least ten per cent upon such additional stock, shall have been *bond fide* paid in to the company ;

7. The main line of the said company's railway shall be a first class road, and shall have been accepted as such by the lieutenant-governor in council on the report of the provincial railway board.

11. The lieutenant-governor in council may, however, if he thinks proper, when it is established that the said company is actively engaged in the construction of the works,

grant unto such company as soon as twenty-five miles of the railway shall have been completed, and for every twenty five miles thereafter, a portion of such provincial grant or loan proportionate to such length of road.

12. After the coming into force of this act, and the acceptance by the said company of the above mentioned loan, upon the conditions hereinbefore stated, the said company shall further undertake and oblige themselves not to issue their bonds or debentures, for any sum other or greater than that which may hereafter be fixed and determined by the lieutenant-governor in council.

Issue of their bonds may be limited.

13. The company shall, on receiving the provincial bonds or debentures, or any part thereof, give in exchange therefor, their bonds to an equal and corresponding amount, payable in thirty years, and bearing six per cent interest, and such bonds shall be held by the government as collateral security for the loan made to the said company under this act. But so soon as the said company shall be in a position to issue second-class bonds or debentures, such second-class bonds shall be handed over to the government in lieu and place of the bonds originally given to the government as aforesaid, and for a similar amount. And in either case the loan made by the government to the company in virtue of this act, both in principal and interest, shall rank after the subscription of stock now made, or hereafter to be made by municipal corporations, and the dividends or profits thereon, and before all private subscriptions of stock and dividends accruing thereon.

The company, on receiving loan, shall give the bonds as collateral security.

These shall be replaced by 2nd class bonds.

Rank of loan.

14. If that part of the line of the Montreal Northern Colonization railway company, which extends from Aylmer to Deep River, has been definitely located, and the company has made satisfactory proof of their readiness to proceed with the work of construction, on or before the first day of June, one thousand eight hundred and seventy-five, it shall be lawful for the lieutenant-governor in council to grant unto the said company, by way of loan, provincial bonds or debentures which he is hereby authorized to issue, in such forms, for such amounts, and subject to such provisions in respect thereof, as he shall deem expedient. But in the event of the said Montreal Northern Colonization railway company not proceeding with the construction of the line from Aylmer to Deep River in good faith—within the limit of time provided by this section—then, and in that case, the lieutenant-governor in council may authorize any railway company incorporated or to be incorporated to proceed with the construction of the said line between Aylmer and Deep River, and be entitled to the grant by

Proportionate aid may be given for the road from Aylmer to Deep river.

Issue of bonds for this purpose.

Another company may be authorized to build the road, and when ?

way of loan provincial bonds or debentures provided for in this clause. Such loan shall be made for an equal and corresponding amount per mile, and under the conditions and terms specified in this act, in relation to that portion of the said railway lying between Montreal and Aylmer.

A loan of \$1,248,634 may be made to the North Shore road, and the road to the Grandes Piles, and to a line of steamers on the St. Maurice.

Issue of bonds for this purpose.

Conditions.

Road to be put into operation.

Aid may be given for each 25 miles of road completed.

A portion of the loan to be retained to insure the building of the Grandes Piles road.

Abandonment of grant of lands, except share in lands in block A.

15. The lieutenant-governor in council may, subject to the provisions of the next following sections, grant unto the North Shore railway company, for building the North Shore railway from Quebec to Montreal, and the road from the city of Three Rivers to the Grandes Piles, and the establishment of a line of steamers on the St. Maurice, as mentioned in the act of the late province of Canada, intituled: "An act to incorporate the St. Maurice railway and navigation company," and by way of loan, the sum of one million two hundred and forty eight thousand six hundred and thirty-four dollars, and payment of such grant or loan shall be made in and by means of provincial bonds or debentures, which the lieutenant-governor in council is hereby authorized to issue in such forms, for such amounts, and subject to such provisions in respect thereof as he shall deem to be for the public advantage.

16. The company shall be entitled to such loan upon the following conditions only:

1. The said railway shall have been completed and put in operation to the entire satisfaction of the lieutenant-governor in council, and steam navigation shall have been put into operation on the St. Maurice. The lieutenant-governor however may, if he thinks proper, when it is established that the said company is actively engaged in the construction of its works, grant to it for each twenty-five miles of road completed, a portion of the said loan, proportionate in amount to such length of road; and provided moreover that he shall always retain a sufficient amount of the said loan to insure the entire completion of the road from the city of Three Rivers to the Grandes Piles, and the establishment of a line of steamers on the St. Maurice;

2. The company shall, on or before the first day of May, one thousand eight hundred and seventy-four, signify to the secretary of the province, the acceptance by it of such loan in lieu of the grant of lands to which it might otherwise have been entitled under the act of this province thirty-fourth Victoria, chapter twenty-one, intituled: "An act to provide for the granting of certain lands in aid of the railway companies therein mentioned;" except the share of the said company in that portion of the said land grant described in the schedule of the said act as block A, and in and by such signification it shall resign and renounce, and shall

be deemed to have resigned and renounced all claim to any such grant of lands, save and except the said share or portion in block A ;

3. The company in exchange and return for all provincial bonds or debentures granted to it under the provisions of this act, shall give its own bonds or debentures for similar amounts ; and all such bonds or debentures shall be redeemable within *thirty* years from the date thereof, and shall bear interest at the rate of six per cent per annum, and no such debenture shall be for a less sum than one hundred dollars ;

4. At least ten per cent shall be paid on all stock subscribed, and not cancelled by the board of directors, but this provision shall not apply to stock subscribed by municipalities.

5. The main line of the said railway, shall be a first-class road, and shall have been accepted as such by the lieutenant-governor in council, on the report of the provincial railway board.

17. After the coming into force of this act, and the acceptance by the said company of the above mentioned loan, upon the conditions hereinbefore stated, the said company may issue their bonds or debentures, for such sum as may hereafter be fixed and determined by the lieutenant-governor in council, and for no other or further sum whatsoever, any act to the contrary notwithstanding, and such sum so fixed and determined shall be raised subject to the forms and provisions of the eleventh sub-section of the ninth clause of the railway act, contained in the consolidated statutes of Canada, chapter sixty-six, which shall apply to such loan.

18. And for securing the due payments of the bonds, debentures or other securities to be issued by the said company, as well by reason of the loan authorized by the foregoing section, as for and in exchange for the provincial debentures to be granted under this act, the road, lands, and real and personal estate of the said company shall be charged and hypothecated in the order and manner following, that is to say :

1. In favor of all persons holding bonds or debentures issued by the company, under section seventeen of this act, which bonds and debentures shall be hereafter known and styled " North Shore railway company, first preference bonds ; "

2. In favor of the corporation of the city of Quebec and all other subscribing municipalities to the amount of the capital sum of their subscribed stock ; and a dividend thereon not exceeding seven per cent per annum ;

3. In favor of the government of this province, for the amount of the provincial bonds exchanged for the bonds and debentures of the company under the provisions of this act.

Number of directors.

Six to be named by lieut.-gov.

Present board.

Qualifications required to vote.

Bond-holders shall vote.

Advances may be made to the Montreal Northern Colonisation and North Shore roads.

19. In the event of the company determining to accept the loan hereinabove specified, upon the terms and conditions set forth in this act, and signifying their acceptance thereof, in the manner and form herein provided, from and after the twentieth day of May, one thousand eight hundred and seventy-four inclusively, the board of directors of the company shall be composed of twelve members in addition to the representatives of the municipalities entitled to form part thereof. Of these twelve members, six shall be named by the lieutenant-governor in council, and six only shall, in future, be elected by the shareholders and bond-holders, in the manner hereinafter provided; but until the twentieth day of May, one thousand eight hundred and seventy-four, the said board shall consist of the present directors, and until the next election of directors the board shall not have power to fill vacancies among the directors elected.

20. In the election of directors of the said company on the twentieth day of May next, and at all elections thereafter, each shareholder shall be entitled to one vote for each one hundred dollars of stock held by him, upon which at least ten per cent shall have been paid up, and upon which all other and subsequent calls shall also have been paid up, and each person holding bonds or debentures of the said company issued under section seventeen of this act, shall be entitled to one vote for each one hundred dollars of bonds or debentures so held by him, and such shareholders and bond-holders shall be entitled to vote either in person or by proxy.

21. Notwithstanding anything to the contrary contained in this act, it shall be lawful for the lieutenant-governor in council, on satisfactory proof that the Montreal Northern Colonization railway company, or the North Shore railway company, have made complete financial arrangements or entered into contracts in good faith, for the construction of their respective lines of road, and that the work thereon is in active progress, to advance, from time to time, unto either or both of such railway companies, out of the grant or loan, to which they would be entitled under this act, a sum bearing such proportion to the total amount of the grant authorized herein, as the progress of the work, and the security taken by the companies, for the completion thereof, may then seem to the lieutenant-governor in coun-

oil to justify. But nothing in this section shall in any way ^{Proviso.} affect the proviso contained in the sixteenth section of this act.

22. In the event of any of the said railway companies neglecting to exercise the option conferred upon it or neglecting to signify its acceptance in the manner and within the delay prescribed in this act, then and in such case, the provisions of this act shall in no respect apply to such railway company, and in so far as concerns such railway company this act shall be deemed not to have been passed. ^{This act shall not apply to companies not declaring their option within the prescribed delays.}

23. All provincial bonds or debentures issued under the authority of this act shall be made payable in thirty years ^{Provincial bonds.} from the date thereof, and shall bear interest at the rate of five per cent per annum, and in the case of the issue thereof, it shall be the duty of the treasurer of the province, to cause to be invested yearly, one per cent on the amount of such bonds or debentures, as a sinking fund, for the redemption of the principal thereof at maturity. ^{Sinking fund.}

24. The treasurer of the province on being authorized by the lieutenant-governor in council, may negotiate and sell ^{Negotiation of bonds.} the said debentures mentioned, and pay the proceeds thereof to the respective railway companies under this act.

25. The expression "The Quebec railway aid act of 1874" shall be a sufficient citation of this act, and it shall ^{Citation of this act; its coming into force.} come into force on the day of its sanction.